

PART Ins 1903 MEDICARE SUPPLEMENT INSURANCE

Authority: RSA 400-A:15 II.

Ins 1903.01 Purpose. The purpose of this part is to assure the orderly implementation and conversion of medicare supplement insurance benefits and premiums due to changes in the federal medicare program.

Ins 1903.02 Applicability and Scope.

(a) This part shall take precedence over other rules and requirements relating to medicare supplement policies or contracts only to the extent necessary to assure that benefits are not duplicated, that applicants receive adequate notice and disclosure of changes in medicare supplement policies and contracts, that appropriate premium adjustments are made in a timely manner, and that premiums are reasonable in relation to benefits.

(b) This part shall apply to:

(1) All medicare supplement policies and subscriber contracts advertised, solicited, delivered or issued for delivery in this state, or which are otherwise subject to the jurisdiction of this state and issued prior to July 1, 1992; and

(2) All certificates issued under group medicare supplement policies or subscriber contracts, which policies or contracts have been advertised, solicited, delivered or issued for delivery in this state, or which are otherwise subject to the jurisdiction of this state and issued prior to July 1, 1992.

Ins 1903.03 Definitions.

(a) "Applicant" means:

(1) In the case of an individual medicare supplement policy or subscriber contract, the person who seeks to contract for insurance benefits; and

(2) In the case of group medicare supplement policy or subscriber contract, the proposed certificateholder.

(b) "Certificate" means any certificate issued under a group medicare supplement policy, which policy has been advertised, solicited, delivered, or issued for delivery in this state.

(c) "Insurer" means an insurance company, hospital service corporation, medical service corporation, health service corporation, health maintenance organization or other entity subject to Title XXXVII of the New Hampshire code.

(d) "Medicare supplement policy" means either a group or individual policy of accident and health insurance or a subscriber contract of an insurer that is designed primarily to supplement coverage for hospital, medical or surgical expenses incurred by an insured person which are not covered by medicare. Such term does not include:

(1) A policy or contract of one or more employers or labor organizations, or of the trustees of a fund established by one or more employers or labor organizations, or combination thereof, or for members or former members, or combination thereof, of the labor organizations; or

(2) A policy or contract of any professional, trade or occupational association for its members or former or retired members, or combination thereof, if such association:

- a. Is composed of individuals all of whom are actively engaged in the same profession, trade or occupation;
- b. Has been maintained in good faith for purposes other than obtaining insurance; and
- c. Has been in existence for at least 2 years prior to the date of its initial offering of such policy or plan to its members.

Ins 1903.04 Benefit Conversion Requirements.

(a) No medicare supplement insurance policy, contract or certificate in force in this state shall contain benefits which duplicate benefits provided by medicare.

(b) No later than 30 days prior to the annual effective date of medicare benefit changes mandated by the Medicare Catastrophic Coverage Act of 1988, every insurer providing medicare supplement insurance or benefits to a resident of this state shall notify its policyholders, contractholders and certificateholders of modifications it has made to medicare supplement insurance policies or contracts.

(c) The notice required in (b) above shall include a description of revisions to the medicare program and a description of each modification made to the coverage provided under the medicare supplement insurance policy or contract. The notice shall inform each covered person as to when any premium adjustment due to changes in medicare benefits will be made. The notice of benefit modifications and any premium adjustments shall be in outline form and in clear and simple terms so as to facilitate comprehension. Such notice shall not contain or be accompanied by any solicitation.

(d) No modifications to an existing medicare supplement contract or policy shall be made at the time of or in connection with the notice requirements of this part except to the extent necessary to eliminate duplication of medicare benefits and any modifications necessary under the policy or contract to provide indexed benefit adjustment.

(e) As soon as practicable, but no longer than 45 days after the effective date of the medicare benefit changes, every insurer providing medicare supplement insurance or contracts in this state shall file with the commissioner, the following:

- (1) The appropriate premium adjustments necessary to produce loss ratios as originally anticipated for the applicable policies or contracts. Such supporting documents as necessary to justify the adjustment shall accompany the filing; and
- (2) Any appropriate riders, endorsements or policy forms needed to accomplish the medicare supplement insurance modifications necessary to eliminate benefit duplications with medicare. Any such riders, endorsements or policy forms shall provide a clear description of the medicare supplement benefits provided by the policy or contract.

(f) Every insurer providing medicare supplement insurance in this state shall provide each covered person with any rider, endorsement or policy form necessary to eliminate any benefit duplications under the policy or contract with benefits provided by medicare.

(g) No insurer shall require any person covered under a medicare supplement policy or contract which was in force prior to January 1, 1989 to purchase additional coverage under such policy or contract unless additional coverage was provided for in the policy or contract.

(h) Every insurer providing medicare supplement insurance or benefits to a resident of this state shall make such premium adjustments as are necessary to produce an expected loss ratio under such policy or contract as will conform with minimum loss ratio standards for medicare supplement policies and which is expected to result in a loss ratio at least as great as the originally anticipated by the insurer for such medicare supplement insurance policies or contracts. No premium adjustment which would modify the loss ratio experience under the policy other than the adjustments described herein shall be made with respect to a policy at any time other than upon its renewal date. Premium adjustments shall be in the form of refunds or premium credits and shall be made no later than upon renewal if a credit is given, or within 60 days of the renewal date if a refund is provided to premium payer.

Ins 1903.05 Requirements for New Policies and Certificates.

(a) No medicare supplement policy, contract or certificate shall be issued or issued for delivery in this state which provides benefits which duplicate benefits provided by medicare. No such policy, contract or certificate shall provide less benefits than those required under Ins 1902 except where duplication of medicare benefits would result.

(b) Every applicant for a medicare supplement insurance policy or certificate shall be provided with an outline of coverage which simplifies and accurately describes benefits provided by medicare, the benefits provided by the policy or contract being applied for, and the benefit limitations applicable to the policy or contract for which application is being made.

Ins 1903.06 Separability. If any provision of this part or the application thereof to any person or circumstances is for any reason held to be invalid, the remainder of this part and the application of such provision to other persons or circumstances shall not be affected thereby.

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